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FILED IN OPEN COURT
ON 7-9-2013 JAA
Julie A. Richards, Clerk
US District Court
Eastern District of NC

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	INDICTMENT
	)	
RONALD EARL MCCULLOUGH	)	No. 5:13-CR-199-1F(1)
	)	
DAVID CHRISTOPHER MAYHEW	)	No. 5:13-CR-199-2F(1)

The Grand Jury charges that:

INTRODUCTION

I. PURPOSE OF THE SCHEME AND ARTIFICE

1. From in or around January 2009, and continuing to in or around May 2012, the Defendants, RONALD EARL MCCULLOUGH and DAVID CHRISTOPHER MAYHEW, devised a scheme and artifice to defraud investors and to obtain money by means of materially false and fraudulent pretenses, representations, and promises.

II. THE SCHEME AND ARTIFICE

2. MCCULLOUGH and MAYHEW solicited investors personally and through others to invest in what they described as an exclusive foreign currency exchange group.

3. MCCULLOUGH and MAYHEW told investors that the minimum to participate in the group was $1 million but that because

MCCULLOUGH and MAYHEW were "Christians" who wanted to help other Christians "build wealth," they would allow the victims to invest through their trading account.

4. They told the victims that their return was "guaranteed" and that their principal was safe and would be returned.

5. MCCULLOUGH and MAYHEW promised high returns to investors, often double the money invested within 30 days.

6. MCCULLOUGH and MAYHEW sometimes paid returns to investors for their initial investments.

7. Encouraged by these returns, investors often reinvested larger sums of money that MCCULLOUGH and MAYHEW never repaid.

8. MCCULLOUGH and MAYHEW also used other individuals, including Person 1 and Person 2, to sell their investment.

9. Person 1 and Person 2 both initially invested some of their own money. After these investments, Person 1 and Person 2 began soliciting other investors, including their family members. Person 1 and Person 2 expected to receive some of the profit of the individuals who invested through them.

10. In soliciting other investors, Person 1 and Person 2 conveyed the false information MCCULLOUGH and MAYHEW provided to them to prospective investors.

11. Despite the promises made, most of the money invested was never used for foreign currency trading or investing of any kind.

12. MCCULLOUGH, MAYHEW, and others spent the money personally and used it to repay past investors their principal and interest in an effort to create the impression that the investment was successful and that their representations were true.

13. In many cases, MCCULLOUGH and MAYHEW immediately or very quickly used the money provided by investors for purposes contrary to the promises they had made.

14. In an effort to further the scheme, MCCULLOUGH and MAYHEW also made other false representations, including but not limited to, how they had spent the money of investors, when they would pay them back, and why they were unable to pay them at the present time.

15. On or about September 24, 2009, one investor and his partner met MCCULLOUGH and MAYHEW outside a local Raleigh restaurant. MCCULLOUGH and MAYHEW were accompanied by Person 3 and one or two other men. During the meeting, the investors demanded the return of their funds. MAYHEW and one of the other males displayed handguns under their clothing and MAYHEW

instructed Person 3 to "kill" one of the investors if he moved. The investor's money was never returned.

COUNT 1
Conspiracy
18 U.S.C. § 371

Paragraphs 1 through 15 of the Introduction are incorporated herein by reference.

Beginning in or around January, 2009 and continuing through in or around May, 2012, in the Eastern District of North Carolina, Defendants RONALD EARL MCCULLOUGH and DAVID CHRISTOPHER MAYHEW did unlawfully and knowingly combine, conspire, confederate, and agree among themselves and others to commit offenses against the United States as follows:

a. Mail Fraud. Having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, to use the mails and private and commercial interstate carriers to further, advance, and carry out the above-described scheme and artifice, in violation of Title 18, United States Code, Section 1341;

b. Wire Fraud. Having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme, to transmit in interstate commerce, by means of wire communications, certain signals, that is wire transfers of money to and from the bank accounts used by the defendants, for the purpose of executing, and attempting to execute, the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343;

c. Engaging in Unlawful Monetary Transactions. To knowingly engage and attempt to engage in monetary transactions affecting interstate commerce in criminally derived property of a value greater than $10,000 and derived from specified unlawful activity, in violation of Title 18, United States Code, Section 1957(a).

In furtherance of the conspiracy and to promote its unlawful objects, the defendants committed and caused to be committed overt acts in the Eastern District of North Carolina, including but not limited to:

a. MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, met with investors and prospective investors and made false statements to induce them to provide money, each meeting constituting a separate overt act.

b. Following investments being made, MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, communicated with investors and made false representations, including how they had spent the money of investors, when they would pay them back, and why they were unable to pay them at the present time, each communication constituting a separate overt act.

c. MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, spent and used investor money for purposes contrary to the promises made to investors, each instance constituting a separate overt act.

d. On or about September 24, 2009, MAYHEW and another individual threatened one of the investors who had demanded repayment.

e. MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, used wires to send and receive investor money, each wire constituting a separate overt act.

f. MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, used the mail to send and receive documents relating to the investments, each mailing constituting a separate overt act.

g. MCCULLOUGH, MAYHEW, and others, known and unknown to the Grand Jury, used investor money to make payments exceeding $10,000 to pawnbrokers and financial institutions, each payment constituting a separate overt act.

All in violation of Title 18, United States Code, Section 371.

COUNTS 2-16
Wire Fraud
18 U.S.C. § 1343

Paragraphs 1 through 15 of the Introduction are incorporated herein by reference.

On or about the dates set forth below, each date constituting a separate count of this Indictment, in the Eastern District of North Carolina and elsewhere, the defendants, RONALD EARL MCCULLOUGH and DAVID CHRISTOPHER MAYHEW, aiding and abetting each other and others both known and unknown to the Grand Jury, for the purpose of executing, and attempting to execute, the scheme and artifice to defraud, did cause to be transmitted in interstate commerce, by means of wire communications, certain signals, that is wire transfers of money to the bank accounts described below:

Count	Date	From	To	Description
2	4/9 2009	P.O.	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $200,000
3	5/11 2009	R.C.H.	Person 1	A wire transfer to State Employees' Credit Union, account number - 2064 for $40,000
4	5/11 2009	Person 1	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $45,000
5	6/4 2009	N.D.	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $38,000
6	6/5 2009	R.C.H.	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $112,000
7	9/9 2010	F.M.	Person 2	A wire transfer to Bank of America, account number -8585 for $165,000
8	10/18 2010	Person 2	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $180,000
9	3/10 2011	F.M.	Person 2	A wire transfer to Bank of America, account number -8585 for $215,000
10	3/11 2011	Person 2	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $193,000
11	5/25 2011	F.M.	Person 2	A wire transfer to Bank of America, account number -8585 for $15,000
12	5/26 2011	Person 2	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $15,000
13	6/1 2011	F.M.	Person 2	A wire transfer to Bank of America, account number -8585 for $385,000

14	6/1 2011	Person 2	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $385,000
15	6/3 2011	J.F.	Person 2	A wire transfer to Bank of America, account number -8585 for $50,000
16	6/3 2011	Person 2	MCCULLOUGH	A wire transfer to Woodforest National Bank, account number -6518 for $47,000

Each entry constituting a separate violation of Title 18, United States Code, Section 1343 and Section 2.

COUNTS 17-20
Mail Fraud
18 U.S.C. § 1341

Paragraphs 1 through 15 of the Introduction are incorporated herein by reference.

From in or around January 2009, continuing through in or around May, 2012, in Eastern District of North Carolina and elsewhere, defendants RONALD EARL MCCULLOUGH and DAVID CHRISTOPHER MAYHEW, with the intent to defraud, devised and willfully participated in, with knowledge of its fraudulent nature, the above-described scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises.

On or about the dates set below, in the Eastern District of North Carolina, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud and deprive, defendants MCCULLOUGH and MAYHEW, aiding and abetting each other and others both known and unknown to the Grand Jury, knowingly caused to be delivered by mail according to the direction thereon the following matters:

COUNT	DATE	TO	FROM	DESCRIPTION
17	6/14/2011	F.M.	Person 2	Account Statement for F.M. dated June 13, 2011
18	7/12/2011	F.M.	Person 2	Account Statement for F.M. dated July 11, 2011
19	8/17/2011	F.M.	Person 2	Account Statement for F.M. dated August 11, 2011
20	11/21/2011	F.M.	Person 2	Account Statement for F.M. dated November 21, 2011

Each entry constituting a separate violation of Title 18, United States Code, Section 1341 and Section 2.

COUNTS 21-23
Engaging in Unlawful Monetary Transactions
18 U.S.C. § 1957

Paragraphs 1 through 15 of the Introduction are incorporated herein by reference.

On or about the dates listed below, in the Eastern District of North Carolina and elsewhere, defendants RONALD EARL MCCULLOUGH and DAVID CHRISTOPHER MAYHEW, aiding and abetting each other and others both known and unknown to the Grand Jury, did knowingly engage and attempt to engage in the monetary transactions identified below through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, that is, Mail Fraud and Wire Fraud, in violation of Title 18, United States Code, Sections 1341 and 1343:

COUNT	DATE	FROM	TO	DESCRIPTION
21	4/3 2009	MAYHEW	R.L.	Payment of $31,650 to R.L., a pawnbroker.
22	10/21 2009	MCCULLOUGH	C.F.	Wire transfer of $15,660.24 to make a personal mortgage payment
23	6/3 2011	MAYHEW	R.L.	Payment of $25,000 to R.L., a pawnbroker.

Each entry constituting a separate violation of Title 18, United States Code, Section 1957 and Section 2.

A TRUE BILL

REDACTED VERSION
Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

FOREPERSON

DATE: July 9, 2013

THOMAS G. WALKER
United States Attorney

David A. Bragdon
BY: DAVID A. BRAGDON
Assistant United States Attorney